



# ISRAEL



Population: 8,424,904 | GDP: \$317.1 billion | Language(s): Hebrew, Arabic | Unicorns 2009-2018: 4



## What did Israel do right?

Israel has an impressive four unicorns founded between 2009 and 2018 and ranks among the best in measures of entrepreneurship. Over half (51 percent) of Israel's workforce is highly skilled, with 46.8 percent of the country's college degrees awarded in STEM fields. From 2017 to 2018, Israel took minor steps to embrace the sharing economy.



## What can Israel do better?

Israel could ease regulations to allow ridesharing services and reduce its top individual marginal tax rate to reverse the dip in its Tax Friendliness grade from a C+ to a D+. It can also adopt a welcoming approach toward drones by eliminating the requirement that any recreational user first join the national Israeli Model Airplane club.

## KEY TAKEAWAYS

Israel is one of only two countries to achieve Innovation Champion status in 2019 after being named an Innovation Leader last year. The country climbed into the top tier thanks in part to earning top marks in the Unicorns category, for producing four startups worth at least USD \$1 billion between 2009 and 2018.



Israeli computer vision company Mobileye tested self-driving vehicles in Jerusalem in 2018 and plans to market an SDV by 2021.

Credit: Intel Corporation

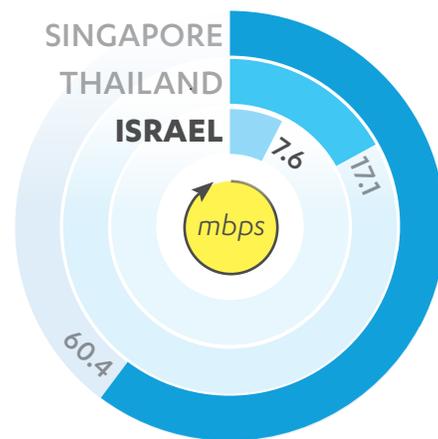
Punching well above their weight in several areas, the Israelis surpass every other country on the Scorecard in research and development — on which they spend 4.3 percent of GDP — and produce entrepreneurial talent to rival much larger countries. Over 50 percent of Israel's workforce is high skilled, and almost 47 percent of students graduate college with a science, technology, engineering or mathematics (STEM) degree.

Self-driving vehicles (SDV) are also well on their way to becoming a reality in Israel. Although widespread testing of SDVs on public roads is not yet taking place, computer vision company Mobileye tested an SDV on the streets of Jerusalem in May 2018.

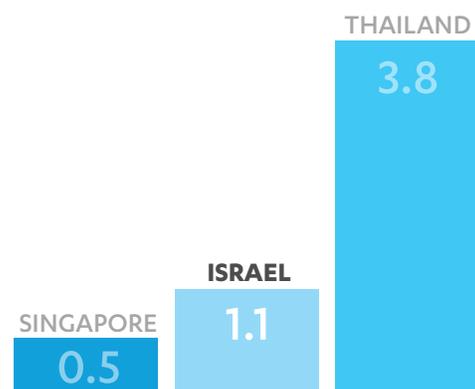
While Israel's short-term rental market is booming, the country prohibits ridesharing services. The closest alternatives are carpooling services such as Moovit and Waze—which match passengers with drivers going in the same general directions—but passengers may only reimburse drivers for part of a trip's overall cost, prohibiting drivers from making a profit.

Sources: (Hotel Management) (Reuters) (CTECH)

## Mean Download Speed (Fixed & Mobile)



## Fixed Broadband Cost Per Month



Shown as a percentage of gross monthly income per capita



**R&D Investment**

The country spends 4.3 percent of its GDP on research and development.



**Self-Driving Vehicles**

Israel is a leader in self-driving vehicle development, in part for a project to set aside a stretch of highway for the testing of self-driving vehicles. Its grade improved to an A from a C in 2018.



**Resilience**

Israel has a visible supply chain, a highly urbanized population and strong local supplier quality, but also faces higher-than-average political risk and stands at risk of natural disasters.



**Short-Term Rentals**

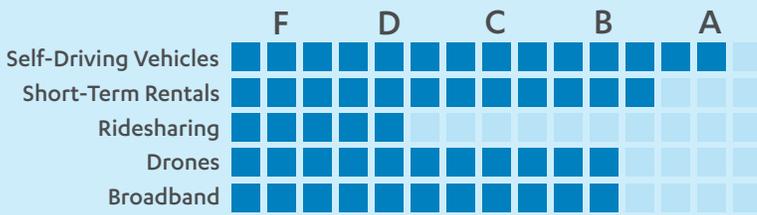
Although short-term rentals are legal throughout the country with no restrictive regulations, tax rules have recently become stricter. Israel's grade decreased to a B+ from an A in 2018.



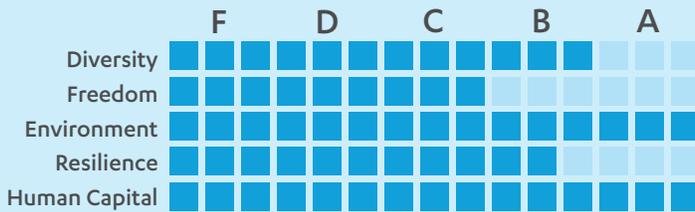
**Broadband**

The mean download speed of fixed and mobile internet is below average at 7.6 Mbps. Monthly internet cost is 1.10 percent of GNI per capita for fixed broadband, and 0.50 percent for prepaid mobile broadband.

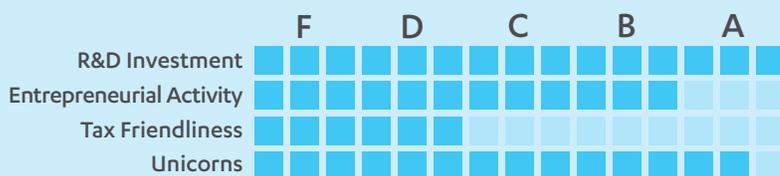
**Technology**



**Society**



**Economy**



**ABOUT THE SCORECARD**

With the 2019 International Innovation Scorecard, the Consumer Technology Association expands the report in breadth and depth, adding 23 new countries and two new categories. In this second edition, we evaluate 61 countries and the European Union across 28 indicators to determine whether they stifle progress or fuel the fires of innovation.

Each country on the Scorecard ranks in one of four tiers: Innovation Champions excel in almost all areas, followed by Innovation Leaders, which earn high scores in most. Behind the Leaders are Innovation Adopters, which promote innovation in some areas but not others. Finally, Modest Innovators may support innovation in one or more areas, but they show the greatest room for improvement.

**ABOUT CTA**

The Consumer Technology Association (CTA)<sup>™</sup> is the preeminent trade organization representing the \$398 billion U.S. consumer technology industry, which supports more than 15 million jobs. CTA serves over 2,200 companies, ranging from the startups and small businesses that make up 80 percent of its membership to some of the world's best-known brands. CTA also owns and produces CES<sup>®</sup>, the world's premier gathering for consumer technology and the innovators who turn today's dreams into tomorrow's realities. Profits from CES are reinvested into CTA's industry services.

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